

EXHIBIT C

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA COMMERCIAL MORTGAGE COMPANY,

Debtor.

Case Nos.:
BK-S-06-10725-LBR
BK-S-06-10726-LBR
BK-S-06-10727-LBR
BK-S-06-10728-LBR
BK-S-06-10729-LBR

In re:
USA CAPITAL REALTY ADVISORS, LLC,

Debtor.

In re:
USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC,

Debtor.

JOINTLY ADMINISTERED
Chapter 11 Cases

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,

Debtor.

Judge Linda B. Riegler

In re:
USA SECURITIES, LLC,

Debtor.

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW IN
SUPPORT OF ORDER
APPROVING SETTLEMENT
BEADLE, MCBRIDE, EVANS &
REEVES, LLP, ET AL.**

Affects:
☒ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

1 USACM LIQUIDATING TRUST; and
2 USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC;

3 Plaintiffs,

4 v.

5 BEADLE, MCBRIDE, EVANS & REEVES, LLP,
REEVES, EVANS, MCBRIDE & ZHANG, LLP, TG
MCBRIDE CPA LTD., and T. GARTH MCBRIDE,

6 Defendants.

7 This Court, having considered the *Application to Compromise and Settle Controversies with*
8 *Beadle, McBride, Evans & Reeves, LLP, et al.* (the “Motion”) and the Declarations of Geoffrey L.
9 Berman and Michael Tucker in support thereof and the arguments of counsel made at the hearing on
10 the Motion to Compromise held November 18, 2008; and

11 This Court having considered the Pleading in Support of the Motion to Compromise and the
12 arguments of counsel, now therefore makes the following findings of fact and conclusions of law under
13 Federal Rule of Civil Procedure 52 and Federal Rules of Bankruptcy Procedure 7052 and 9019.

14 1. Notice of the Motion (“Notice”) was properly served on all creditors of the above-titled
15 estates and all persons who may have claims for indemnification or contribution.

16 2. The claims being settled are assets of the USACM Liquidating Trust (the “USACM
17 Trust”). Geoffrey L. Berman (“Berman” or the “Trustee”) currently serves as a trustee of the USACM
18 Liquidating Trust.

19 3. The claims being compromised also belong to USA Capital Diversified Trust Deed
20 Fund, LLC (“DTDF”). Michael Tucker (the “Manager”) is the manager of DTDF.

21 4. The beneficiaries of USACM Trust and DTDF are the creditors of USA Commercial
22 Mortgage Company (“USACM”) and the interest holders in DTDF.

1 5. The claims being compromised herein arise from professional services rendered by
2 Beadle, McBride, Evans & Reeves, LLP, Reeves, Evans, McBride & Zhang, LLP, TG McBride CPA
3 Ltd., and T. Garth McBride (collectively, "BMER") to DTDF and FTDF.

4 6. The USACM Trust and DTDF have investigated the merits of the claims against BMER
5 and have conducted such investigation as they deemed reasonable into the merits of the claim. In
6 addition, the USACM Trust and DTDF have inquired into the complexity of proving the potential
7 claims, the expense of prosecuting such claims, the duration of litigation or other means for
8 prosecuting the claims, and have evaluated the difficulties of collection and the assets available for
9 satisfying any potential judgment.

10 7. Based upon this evaluation, the Trustee and the Manager have recommended this
11 compromise as fair and equitable.

12 8. The Compromise is fair and equitable to the USACM Trust and its beneficiaries.

13 9. The Compromise is fair and equitable to DTDF and its interest holders.

14 10. At the present time, no claims for indemnification or contribution have been asserted,
15 although the USACM Trust and DTDF have commenced litigation against persons and entities that
16 may have such claims.

17 11. At the present time, no claims have been asserted by creditors of any of the above-titled
18 estates against BMER.

19 12. No USACM Trust beneficiary or DTDF interest holder has objected to this
20 compromise.

21 13. The amount paid in the settlement is fair and equitable in light of BMER's insurance
22 policy limits and BMER's financial condition.

23 14. There was no collusion, fraud, or tortious conduct aimed to injure the interests of any

1 non-settling defendants in connection with the negotiation and execution of the Settlement Agreement.

2 15. The amount being paid by BMER pursuant to the Settlement Agreement is a material
3 contribution to the USACM Trust and its beneficiaries and to DTDF and its interest holders.

4 **CONCLUSIONS OF LAW**

5 1. Notice has been given to all parties to the above-titled estates, including to persons and
6 entities who might reasonably be anticipated to have claims for indemnification and/or contribution.

7 2. USACM Trust and DTDF have standing to assert the claims being settled and have
8 standing to bring this Motion.

9 3. In light of the complexity of the potential claims, the expense of litigating these claims,
10 the duration of such litigation, and the difficulties of collection in the event the estates are successful,
11 the settlement with BMER is fair and equitable and reasonable under the circumstances and therefore
12 is approved under Federal Rule of Bankruptcy Procedure 9019.

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